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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION

UNITED STATES OF AMERICA

V.

TOM MCCARDELL

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CRIMINAL NO.: 16-CR-00212-01

DISTRICT JUDGE FOOTE
MAGISTRATE JUDGE HORNSBY

INDICTMENT

THE GRAND JURY CHARGES:

COUNTS 1-14
42 U.S.C. § 1320b-7b(b)(2)(A)
Illegal Kickbacks

A. Background

The Anti-Kickback Statute

1. The Anti-Kickback Statute, Title 42, United States Code, Section 1320a-7b(b) prohibits any person or entity from making or accepting payment, in cash or in kind, to induce or reward any person for referring, recommending or arranging for federally funded medical services. Congress passed the Anti-Kickback Statute in an attempt to deter the growing problem of fraud and abuse in the health care system.

2. The purpose of the Anti-Kickback Statute is to ensure that referral decisions are made solely with the goal of a patient's well-being. Referring patients

based on the expectations of personal profit corrupts the health care system because it encourages medical providers and others to make referral decisions for reasons relating to personal profit rather than a patient's best interest. The payment of kickbacks also corrupts the health care system because they have the effect of generating business for the dishonest provider at the expense of the honest provider who refuses to pay kickbacks.

Medicare

3. The Medicare program ("Medicare") is a federal health insurance program established by the Social Security Act of 1965 to assist qualified aged and disabled individuals, generally persons who are over the age of 65 or disabled. Those who receive Medicare benefits are referred to as "Medicare beneficiaries." Medicare is administered by the Centers for Medicare and Medicaid Services ("CMS"), a federal agency under the United States Department of Health and Human Services. Medicare reimburses health care providers and suppliers for the costs of health care services and items provided to Medicare beneficiaries.

4. The Medicare Program is a federal health care program that provide benefits to Medicare beneficiaries and is a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).

5. The Medicare program covers reimbursement for inpatient hospitalization treatment for mental illness ("inpatient treatment") and also covers billings for outpatient psychiatric treatment for a mental illness ("outpatient treatment") that is provided in connection with a psychiatric hospital.

6. Claims for treatment for mental illness and substance abuse procured through impermissible patient recruitment, referrals, bribes, or kickbacks submitted to Medicare are not entitled to payment or reimbursement from Medicare.

Physicians Behavior Hospital

7. Physicians Behavior Hospital (PBH) was a mental health facility located in Shreveport, Louisiana that provided mental health and substance abuse inpatient treatment.

8. TOM McCARDELL was the Director of PBH. TOM McCARDELL's duties included, but were not limited to, oversight and management of the day-to-day operations at PBH.

B. KICKBACK SCHEME

9. In July, 2011, TOM McCARDELL agreed to an arrangement wherein a person, G.H., would be paid money by PBH in exchange for G.H. to recruit and refer patients to PBH for inpatient treatment of mental illness and, or, substance abuse.

10. Pursuant to the aforementioned kickback arrangement, TOM McCARDELL from July 2011 to November 2012 caused PBH to issue payments to G.H. in exchange for G.H. to recruit and refer patients to PBH for inpatient treatment for mental illnesses and, or, substance abuse.

11. Pursuant to the aforementioned kickback arrangement, TOM McCARDELL and G.H. agreed that PBH would issue the payment checks in the name of G.H.'s son in order to avoid suspicion and detection of the aforementioned

kickback arrangement. TOM McCARDELL knew in truth and fact that G.H.'s son did not perform any services for PBH.

12. From July 2011 and continuing to November 2012, TOM McCARDELL and G.H. caused PBH to issue G.H.'s son 33 checks totaling \$41,250.

C. OFFENSE

13. On or about the dates set forth below, in the Western District of Louisiana and elsewhere, the defendant, TOM McCARDELL, did knowingly and willfully pay a remuneration, that is a kickback, directly or indirectly, overtly or covertly, in cash or in kind to a person, G.H., to induce such person to refer an individual to PBH for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care programs:

Count(s)	Date of Payment (Checks)	Amount
1	09/15/2011	\$1,250.00
2	10/15/2011	\$1,250.00
3	11/15/2011	\$1,250.00
4	12/15/2011	\$1,250.00
5	02/01/2012	\$1,250.00
6	03/01/2012	\$1,250.00
7	04/01/2012	\$1,250.00
8	05/01/2012	\$1,250.00

9	06/01/2012	\$1,250.00
10	07/01/2012	\$1,250.00
11	08/01/2012	\$1,250.00
12	09/15/2012	\$1,250.00
13	10/16/2012	\$1,250.00
14	11/01/2012	\$1,250.00

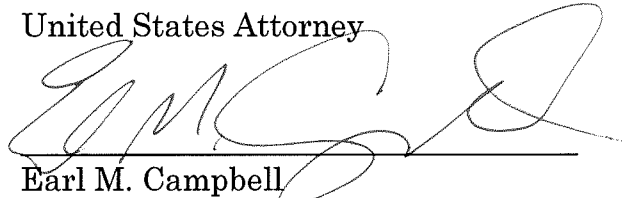
All in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(A). [42 U.S.C. § 1320a-7b(b)(2)(A)].

A TRUE BILL:

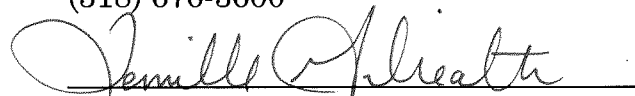
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